

108TH CONGRESS
1ST SESSION

H. R. 2860

To amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for qualified national service educational awards.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2003

Mr. KIND (for himself and Mr. HOUGHTON) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for qualified national service educational awards.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION OF QUALIFIED NATIONAL SERVICE**
4 **EDUCATIONAL AWARDS FROM GROSS IN-**
5 **COME.**

6 (a) IN GENERAL.—Section 117 of the Internal Rev-
7 enue Code of 1986 (relating to qualified scholarships) is
8 amended by adding at the end the following new sub-
9 section:

1 “(e) QUALIFIED NATIONAL SERVICE EDUCATIONAL
2 AWARDS.—

3 “(1) IN GENERAL.—Gross income shall not in-
4 clude any qualified national service educational
5 award.

6 “(2) QUALIFIED NATIONAL SERVICE EDU-
7 CATIONAL AWARD.—The term ‘qualified national
8 service educational award’ means—

9 “(A) any amount received by an individual
10 under paragraph (2) of section 148(a) of the
11 National and Community Service Act of 1990
12 which is used for the qualified tuition and re-
13 lated expenses (as defined in subsection (b)(2))
14 of the individual; and

15 “(B) any amount received by an individual
16 under paragraph (1) or (4) of such section.”.

17 (b) COORDINATION WITH HOPE AND LIFETIME
18 LEARNING CREDITS.—Section 25A(g)(2) of such Code
19 (relating to adjustments for certain scholarships, etc.) is
20 amended by redesignating subparagraphs (B) and (C) as
21 subparagraphs (C) and (D), respectively, and by inserting
22 after subparagraph (A) the following new subparagraph:

23 “(B) a qualified national service edu-
24 cational award described in section
25 117(e)(2)(A),”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts received in taxable
3 years beginning after December 31, 2003.

